

Senate File 505

H-1356

1 Amend the amendment, H-1345, to Senate File 505,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 72, after line 20 by inserting:

5 <DIVISION

6 HEALTH POLICY — OVERSIGHT

7 Sec. ____ . NEW SECTION. 2.70 Legislative health
8 policy oversight committee.

9 1. A legislative health policy oversight committee
10 is created to provide a formal venue for oversight of
11 and stakeholder engagement in, the design, development,
12 implementation, administration, and funding associated
13 with general state health care policy, with a
14 particular focus on the Medicaid program. The overall
15 purpose of the committee is to ensure that health care
16 policy in this state is consumer-focused and provides
17 for accessible, accountable, efficient, cost-effective,
18 and quality health care. The goal of the committee
19 is to continue to further health policy that improves
20 health care, improves population health, reduces health
21 care costs, and integrates medical and social services
22 and supports into a holistic health system.

23 2. a. The committee shall include all of the
24 following members:

25 (1) The co-chairpersons and ranking members of
26 the legislative joint appropriations subcommittee
27 on health and human services, or members of the
28 joint appropriations subcommittee designated by the
29 respective co-chairpersons or ranking members.

30 (2) The chairpersons and ranking members of the
31 human resources committees of the senate and house
32 of representatives, or members of the respective
33 committees designated by the respective chairpersons
34 or ranking members.

35 (3) The chairpersons and ranking members of the
36 appropriations committees of the senate and house
37 of representatives, or members of the respective
38 committees designated by the respective chairpersons
39 or ranking members.

40 b. The members of the committee shall receive a per
41 diem as provided in section 2.10.

42 c. The committee shall meet at least quarterly,
43 but may meet as often as necessary. The committee may
44 request information from sources as deemed appropriate,
45 and the department of human services and other agencies
46 of state government shall provide information to the
47 committee as requested. The legislative services
48 agency shall provide staff support to the committee.

49 d. The committee shall select co-chairpersons, one
50 representing the senate and one representing the house

1 of representatives, annually, from its membership.
2 A majority of the members of the committee shall
3 constitute a quorum.

4 e. The committee may contract for the services of
5 persons who are qualified by education, expertise, or
6 experience to advise, consult with, or otherwise assist
7 the committee in the performance of its duties.

8 3. The committee shall submit a report to the
9 governor and the general assembly by December 15,
10 annually.

11 Sec. ____ . NEW SECTION. 231.44 Utilization
12 of resources — assistance and advocacy related to
13 long-term services and supports under the Medicaid
14 program.

15 1. The office of long-term care ombudsman may
16 utilize its available resources to provide assistance
17 and advocacy services to potential or actual
18 recipients, or the families or legal representatives
19 of such potential or actual recipients, of long-term
20 services and supports provided through the Medicaid
21 program. Such assistance and advocacy shall include
22 but is not limited to all of the following:

23 a. Providing information, education, consultation,
24 and assistance regarding eligibility for, enrollment
25 in, and the obtaining of long-term services and
26 supports through the Medicaid program.

27 b. Identifying and referring individuals who may
28 be eligible for and in need of long-term services and
29 supports to the Medicaid program.

30 c. Developing procedures for tracking and reporting
31 individual requests for assistance with the obtaining
32 of necessary services and supports.

33 d. Providing consultation for individuals
34 transitioning into or out of an institutional setting
35 or across levels of care.

36 e. Identifying gaps in or duplication of services
37 provided to older individuals and persons with
38 disabilities and developing strategies to improve the
39 delivery and coordination of these services for these
40 individuals.

41 f. Providing advice, assistance, and negotiation
42 relating to the preparation and filing of complaints,
43 grievances, and appeals of complaints or grievances
44 relating to long-term services and supports under the
45 Medicaid program.

46 g. Providing individual case advocacy services in
47 administrative hearings and legal representation for
48 judicial proceedings related to long-term services and
49 supports under the Medicaid program.

50 2. A representative of the office of long-term care

1 ombudsman providing assistance and advocacy services
2 authorized under this section for an individual,
3 shall be provided access to the individual, and shall
4 be provided access to the individual's medical and
5 social records as authorized by the individual or the
6 individual's legal representative, as necessary to
7 carry out the duties specified in this section.

8 3. A representative of the office of long-term care
9 ombudsman providing assistance and advocacy services
10 authorized under this section for an individual, shall
11 be provided access to administrative records related to
12 the provision of the long-term services and supports to
13 the individual, as necessary to carry out the duties
14 specified in this section.

15 4. For the purposes of this section:

16 a. "*Institutional setting*" includes a long-term care
17 facility, an elder group home, or an assisted living
18 program.

19 b. "*Long-term services and supports*" means the broad
20 range of health, health-related, and personal care
21 assistance services and supports, provided in both
22 institutional settings and home and community-based
23 settings, necessary for older individuals and persons
24 with disabilities who experience limitations in their
25 capacity for self-care due to a physical, cognitive, or
26 mental disability or condition.

27 Sec. ____ . MEDICAID MANAGED CARE ORGANIZATIONS —
28 UTILIZATION OF ACTUARILY SOUND CAPITATION PAYMENTS.

29 1. All of the following shall apply to Medicaid
30 managed care contracts and to the actuarily sound
31 Medicaid capitation payments under such contracts
32 entered into on or after July 1, 2015:

33 a. Up to 2 percent of the actuarily sound Medicaid
34 capitation payment amount specified under the contract
35 shall be withheld by the state to be used to provide
36 for Medicaid program oversight, including for a
37 health consumer ombudsman function, and for quality
38 improvement.

39 b. The minimum medical loss ratio applicable to
40 Medicaid managed care shall be established at no less
41 than 85 percent. The portion of the actuarily sound
42 Medicaid capitation payment paid to a Medicaid managed
43 care contractor that is required to be dedicated
44 to meeting the minimum medical loss ratio shall be
45 allocated to a Medicaid claims fund. Expenditures of
46 moneys in the Medicaid claims fund shall comply with
47 all of the following:

48 (1) Only expenditures for medical claims shall be
49 considered in computing the minimum medical loss ratio
50 as specified in the contract. For the purposes of the

1 computation, "medical claims" means only the costs of
2 claims for direct delivery of covered benefits incurred
3 during the applicable minimum medical loss ratio
4 reporting period, not otherwise defined or designated
5 as administrative costs, population health benefits or
6 quality improvement, or profit in this section.

7 (2) If a Medicaid managed care contractor does not
8 meet the minimum medical loss ratio established under
9 the contract for the reporting period specified, the
10 Medicaid managed care contractor shall remit the excess
11 amount, multiplied by the total contract revenue, to
12 the state for community reinvestment, oversight, and
13 quality improvement.

14 c. The portion of the actuarially sound Medicaid
15 capitation payment that is not required to be dedicated
16 to meeting the minimum medical loss ratio, shall be
17 allocated to an administrative fund. Expenditure or
18 use of moneys in the administrative fund shall comply
19 with all of the following:

20 (1) Funds in the administrative fund may be
21 used for population health and quality improvement
22 activities including conflict free case management,
23 care coordination, community benefit expenditures,
24 nontraditional consumer-centered services that address
25 social determinants of health, health information
26 technology, data collection and analysis, and other
27 population health and quality improvement activities as
28 specified by rule of the department of human services.

29 (2) Administrative costs shall not exceed the
30 percentage applicable to the Medicaid program
31 for administrative costs for FY 2015 of a maximum
32 of 4 percent calculated as a percentage of the
33 actuarially sound Medicaid capitation payment during
34 the applicable minimum medical loss ratio reporting
35 period. Administrative functions and costs shall not
36 be shifted to providers or other entities as a means of
37 administrative cost avoidance.

38 (3) Profit, including reserves and earnings on
39 reserves such as investment income and earned interest,
40 as a percentage of the actuarially sound Medicaid
41 capitation payment, shall be limited to a maximum of
42 3 percent during the applicable minimum medical loss
43 ratio reporting period.

44 (4) Any funds remaining in the administrative fund
45 following allowable expenditures or uses specified in
46 subparagraphs (1), (2), and (3) shall be remitted to
47 the state for community reinvestment, oversight, and
48 quality improvement.

49 2. The department of human services shall specify
50 by rule reporting requirements for Medicaid managed

1 care contractors under this section.

2 Sec. _____. PROPOSAL FOR A HEALTH CONSUMER OMBUDSMAN
3 ALLIANCE. The office of long-term care ombudsman
4 shall collaborate with the department on aging, the
5 office of substitute decision maker, the department of
6 veterans affairs, the department of human services,
7 the department of public health, the department of
8 inspections and appeals, the designated protection
9 and advocacy agency as provided in section 135C.2,
10 subsection 4, the civil rights commission, the senior
11 health insurance information program, the Iowa
12 insurance consumer advocate, Iowa legal aid, and other
13 consumer advocates and consumer assistance programs,
14 to develop a proposal for the establishment of a
15 health consumer ombudsman alliance. The purpose of
16 the alliance is to provide a permanent coordinated
17 system of independent consumer supports to ensure
18 that consumers, including consumers covered under
19 Medicaid managed care, obtain and maintain essential
20 health care, are provided unbiased information in
21 understanding coverage models, and are assisted in
22 resolving problems regarding health care services,
23 coverage, access, and rights. The proposal developed
24 shall include annual budget projections and shall be
25 submitted to the governor and the general assembly no
26 later than December 15, 2015.

27 Sec. _____. FUNCTIONAL, LEVEL OF CARE, AND
28 NEEDS-BASED ASSESSMENTS — CASE MANAGEMENT.

29 1. The department of human services shall contract
30 with a conflict free third party to conduct initial
31 and subsequent functional, level of care, and needs
32 assessments and reassessments of consumers who may be
33 eligible for long-term services and supports and are
34 subject to a Medicaid managed care contract. Such
35 assessments and reassessments shall not be completed
36 by a Medicaid managed care organization under contract
37 with the state or by any entity that is not deemed
38 conflict free. If a managed care contractor becomes
39 aware that an applicant may require long-term services
40 and supports or that an enrolled consumer's functional
41 level of care, support needs, or medical status has
42 changed, the Medicaid managed care contractor shall
43 notify the department and the conflict free third
44 party shall administer any assessment or reassessment
45 in response to the notification. A case manager
46 or Medicaid managed care contractor shall not alter
47 a consumer's service plan independent of the prior
48 administration of an assessment or reassessment
49 conducted by the conflict free third party. The
50 department of human services shall retain authority

1 to determine or redetermine a consumer's categorical,
2 financial, level of care or needs-based eligibility
3 based on the conflict free third party assessment or
4 reassessment.

5 2. The department of human services shall provide
6 for administration of non-biased, community-based,
7 in-person options counseling by a conflict free third
8 party for applicants for a Medicaid managed care plan.

9 3. Case management under a Medicaid managed care
10 contract shall be administered in a conflict free
11 manner.

12 4. For the purposes of this section, "conflict
13 free" means conflict free pursuant to specifications of
14 the balancing incentive program requirements.

15 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
16 of this Act, being deemed of immediate importance,
17 takes effect upon enactment.

18 Sec. _____. CONTINGENT IMPLEMENTATION.
19 Implementation of this division of this Act is
20 contingent upon receipt of approval from the centers
21 for Medicare and Medicaid services of the United States
22 department of health and human services of the Medicaid
23 waivers necessary to implement Medicaid managed
24 care under the governor's Medicaid modernization
25 initiative.>

26 2. By renumbering, redesignating, and correcting
27 internal references as necessary.

HEDDENS of Story

DUNKEL of Dubuque

HALL of Woodbury

HANSON of Jefferson

LENSING of Johnson

RUFF of Clayton

RUNNING-MARQUARDT of Linn

STAED of Linn

STUTSMAN of Johnson

THEDE of Scott

WESSEL-KROESCHELL of Story

WINCKLER of Scott